

**TESTIMONY IN SUPPORT OF RAISED BILL No. 457 - AN ACT CONCERNING
REVISIONS TO THE COMMON INTEREST OWNERSHIP ACT**

MARCH 24, 2014

Good afternoon Senator Coleman, Representative Fox, Senator Doyle, Representative Ritter, Senator Kissel, Representative Rebimbas and members of the Judiciary Committee. Thank you for the opportunity to provide testimony on behalf of Imagineers, LLC ("Imagineers").

I am Karl Kuegler, Jr. of Imagineers, LLC where I serve as the Director of Property Management for our common interest community management division. From our offices located in Hartford and Seymour, we serve about 188 Connecticut common interest communities comprising about 17,500 homes. Imagineers is registered with the Department of Consumer Protection as a Community Association Manager holding registration number 0001 and has been serving Connecticut common interest communities for 33 years. I have over 24 years of experience in common interest community management and hold a Certified Manager of Community Associations designation from the National Board of Certification for Community Association Managers. Imagineers is a member of the Connecticut Chapter of Community Associations Institute. I serve on the organization's Legislative Action Committee as its vice chair and chair the organization's annual state educational conference.

Imagineers believes that this bill would be beneficial to clarifying terminology and references used when sweeping changes were made to CIOA in 2009. Since the revisions went into effect in 2010, errors and unintended effects of the language have been discovered. By correcting the various sections, the true intent of the law can be more easily understood and accepted.

We would ask that the General Assembly consider revising the bill to address the following concerns:

- Section 1 (b) (8) should be simplified to remove the reference to a roll-call vote. Instead, it should state that unless the decision is unanimous, that the decision shall list a record of how each member of the board cast his or her vote on the proposed action.
- Section 3 (a) (16) should be excluded. The requirement to disclose in a resale certificate whether an association performs an audit, the date of the last audit, by whom, and their credentials, adds an unnecessary additional burden on an association in preparing what already is a detailed disclosure statement. Owners already have the right to request copies of the annual financial statement. Furthermore, the term "audit" can be misleading. Associations typically consider one of three different forms of annual financial reports. The differences between a compilation, a review, and an audit are great, providing varying levels of certainty as to the financial health of a community. Communities that typically do not obtain any of the three reports may be challenged to know if or when the last report was prepared.
- Section 4 (b) (6) should remain a fine of not more than \$500, at least until the time at which regulations for the law governing the Community Association Manager registration are drafted and approved. Within the industry there has been confusion that is slowly being resolved through the efforts of the Community Associations Institute. There should be a continuing effort to educate and seek compliance before doubling the potential fine to \$1,000.

For the reasons stated and with the recommended revisions above, we are in support of Raised Bill No. 457 - An Act Concerning Revisions to the Common Interest Ownership Act.